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CAD Bulletin No. 2004-04

TO: Interexchange Carriers and Competitive Local Exchange Carriers
Operating in the State of Maine

FROM: Derek D. Davidson, Director, Consumer Assistance Division

SUBJECT: Notice to Telephone Customers in Maine Prior to Rate Increases

DATE: July 28, 2004

Title 35-A, M.R.S.A. Section 7307 and Chapters 291, section 10 and 292, section 9, of the Commission's rules require competitive local exchange carriers and interexchange carriers to provide notice to customers in Maine of rate increases at least 25 days prior to the increase taking effect.

Specifically, carriers cannot increase the price of their intrastate services or change the terms and conditions for these services in a manner that results in an increase in costs for any customer without first:

- Filing a tariff revision with the Commission identifying the new price or the change in terms or conditions of service; and
- Providing adequate written notice to each retail subscriber receiving service from the carrier identifying the change or price increase and the effective date of the change or increase. The notice may be in the form of a bill insert and must be provided no less than 25 days prior to the effective date of the increase in price or change in terms or conditions.

A copy of the written notice mailed to each subscriber along with the date it was provided must be submitted with the filing of all tariff revisions. No tariff revision will be approved if the notice is deemed inadequate or has not been timely provided. Filings that do not comply with these requirements or which do not include information for ascertaining compliance will be rejected.

Content of Notice of Price Increase or Change in Terms and Conditions:
"Adequate notice" is a letter, message on the bill, or bill insert that contains only the



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notification language. The notice must be printed with a readable type of sufficient size to be clearly legible and must contain clear and unambiguous language that notifies the customer of the amount of the increase and the date the increase will take effect. A notice containing only the new rates is not adequate; the amount of the increase must be provided. In addition, the notice must be sent or provided independently of any advertising or promotional material and must notify the customer of the customer's right to cancel the service for which the rate increase or change in terms and conditions that will result in a rate increase applies prior to the increase or change taking effect. The notice may be provided electronically to customers who pay their bills electronically. Customer notice is not required for price increases associated with: contractual or promotional offerings, provided the customer was notified before entering the contract or accepting the offer that the price or terms and conditions were subject to change; customers that access the carrier's network by dialing its access number; and customers that access the carrier's network by making a collect call.

Failure to Provide Adequate Notice: A customer that was not supplied with adequate written notice is not obligated to make payment for any increase in the bill attributable to an increase in price or change in terms or conditions. In addition, a telephone carrier must refund any increase in the customer's payments attributable to an increase in price or change in terms or conditions if the carrier fails to provide adequate written notice.

Annual Notice to Customers: Carriers must provide notice to customers of the requirement for notification of price increases, as well as the customer's right to not pay increases and be reimbursed for payments made that are attributable to an increase in price or change in terms or conditions where the customer was not properly notified. The notice must be sent to customers on an annual basis, as well as provided to each customer at the time the customer accepts service. The notice must be in the form of a letter or bill insert that contains only the notification language. The language must be clear and unambiguous and must be a readable type of sufficient size to be clearly legible.

Carriers with questions regarding this bulletin may contact me by telephone at (207) 287-3831 or by e-mail at derek.d.davidson@Maine.gov.